

Remarks on Signing the Taxpayer Bill of Rights 2 and an Exchange With Reporters

July 30, 1996

The President. Thank you very much. Mr. Secretary, Commissioner Richardson, Congresswoman Johnson, thank you for all your hard work on this. Senator Baucus, Senator Reid, Congressman Matsui, former Congressman Jake Pickle. You look like you're right where you belong, standing up here with everybody else today, Jake. *[Laughter]* We are glad to see you.

I would like to say a special word of thanks to Senator Grassley, who was not able to come at the last moment, for his hard work on this, and a special word of thanks to my longtime friend David Pryor, who has been on this mission to improve the IRS and make it work better for taxpayers for more than 10 years now. I'm glad to say that we are, I hope, nearly finishing the work that he started out on before he leaves the Senate. And I thank you for all you've done, sir.

I want to applaud the leadership of the Republicans and the Democrats in the House and the Senate who worked so hard for this bill. If my memory is right, the bill passed unanimously in the House and by voice vote in the Senate. And it happened because we all worked together in a good spirit of bipartisanship toward a common goal.

Nobody likes to pay taxes anyway, but it's also a fact that the taxes pay for our national defense, our schools, our roads, our transportation systems, our police, and so much more that we depend upon every day. Still, the taxpayers have a right to feel that every one of their hard-earned dollars they give up actually works for them, and we have to make sure that the IRS doesn't tangle the American people up in redtape, that it is not arbitrary, and that taxpayers are treated with the respect to which they are entitled. We're getting there.

More than 70 percent of our taxpayers already pay at the 15 percent rate. Many of them use a form that finally lives up to its name. The 1040EZ form is really now easy to understand and to follow. It's one page long, and you don't even need to do that. If you're eligible to file the EZ form, you now have the option of filing without any paperwork at all; all you have to do is pick up the phone. Of the more than

20 million people eligible to file the EZ form, more than 2.8 million file by phone in under 10 minutes. Now, that would be the ultimate in tax simplification if we could do it for everyone.

Many other taxpayers file on-line. This year, more than 12 percent of all our filers, nearly 15 million Americans, filed their individual returns electronically and got their refunds as soon as 3 weeks. People who file the old-fashioned way, on paper and in the mail, got their refunds in about 40 days, longer than I would like but just half the time it took just a few years ago. Eight and a half million electronic filers took advantage of a new direct deposit of refunds, and their refunds went directly to their bank accounts in as little as 10 days. So filing taxes is getting simpler, quicker, and clearly that's better for the American people.

We're trying to inject more common sense and fairness into the process. As the Secretary said, the legislation passed 8 years ago, the first taxpayer bill of rights, set the groundwork. But with this legislation today we take the next step in the right direction. The least we can do for consumers is to see that they're treated professionally, fairly, and judiciously.

As the Secretary said, this bill has 41 recommendations. When the bill was formed, we looked at it, and we decided we could implement something over a third of them by administrative order, which we have done. The rest of them do require legislation, and now every subsequent administration will be bound by all of them because it is becoming the law of the land.

This taxpayer bill of rights applies to almost every situation in which the IRS and taxpayers deal with each other. Here are some examples of what it does: First, it truly empowers the taxpayer advocate office at the IRS with increased authority to help taxpayers to resolve disputes, get refunds for people facing hardships, and to stop collection actions. Second, the bill requires the IRS to inform divorced or separated spouses when it attempts to collect joint taxes from the other spouse. Third, it will make it easier to appeal tax liens. Fourth, it

makes it easier for taxpayers to recover attorney fees if improper action has been taken against them. And fifth, a taxpayer would have a longer grace period to make a tax payment without owing any interest. These are just some of the things that this good bill does.

The legislation is truly a leap forward. With the taxpayer bill of rights we say to America's taxpayers, when you deal with the IRS, you also have privileges, and we respect them. You have protection, and we will help to provide it. You have rights, and we will shield them. Your rights as a taxpayer, plain and simple, your rights will be protected; your privacy will be honored; you will be treated with courtesy; you are entitled to representation; you pay only what you owe by law, no more and no less; you're entitled to get help with special problems; you have the right to appeal your case, even to court; and you can be relieved of penalties if you acted in good faith, even if you made an honest mistake. The IRS Commissioner is putting this declaration at the very front of the main publication that goes to every taxpayer the IRS contacts.

This legislation represents an important step in our ongoing efforts to improve the system from the point of view of the taxpayer. After all, they not only pay the bills, they are ultimately the bosses of this country, and they're entitled to be treated with respect and fairness. Our people work hard for what they have. Our goal is to let them know that their Government is working hard, too, to give them the best service it can and the fairest tax treatment it can.

It's an honor to sign the taxpayer bill of rights. And once again, I ask that we all join in giving these Members of Congress a round of applause for the work they did. Thank you. [Applause]

[At this point, the President signed the legislation.]

Q. Mr. President, do you think taxpayers have not been treated with respect in this country?

The President. I think that we haven't done as good a job as we should have done, and I think that this bill will help us to do a better job. I think that the taxpayer bill of rights 8 years ago was an important step. And I think these 41 or so steps embodied in this bill will say to the American people, look, you're legally

bound to pay the taxes you owe and collecting them is never going to be a perfect process, but we're going to bend over backwards to treat you fairly and treat you with respect. And I think that's a pretty good message. And I do think that there are too many Americans that have some example where they think that was not the case at sometime in the past. And we're just trying to get better at what we do, and this will help.

Welfare Reform

Q. Mr. President, we know you're waiting to see the final conference report on welfare reform, but can you tell us based on what you know now about what the committee's done on legal immigrants, food stamps, and vouchers? Is this bill getting more signable, or is there still a chance you'll veto it?

The President. From what I understand, they've made some good progress today. And I've been, you know, meeting with President Mubarak so I haven't gotten a report in the last hour or so. But I understand they're making good progress. And I hope that they will—we just need to keep the kids in mind. We need to keep the children in mind. The children need to come out ahead. What we want for poor families, I'll say again, is what we want for middle class families and for upper income families. We want people to be able to succeed at raising their kids and at work. It's the biggest dilemma middle class people have in America today, how can they succeed at work and in raising their kids. And that's what we want for poor families.

So whatever system we adopt to reform welfare, the budgetary considerations in the non-welfare items in the bill shouldn't swamp our objective of ultimately uplifting the children of the country. That's what we're working for. It's getting better, and I hope that we can work it out. I really do.

NOTE: The President spoke at 2:40 p.m. in the Roosevelt Room at the White House. In his remarks, he referred to former Representative James Jarrell (Jake) Pickle of Texas. H.R. 2337, approved July 30, was assigned Public Law No. 104-168.